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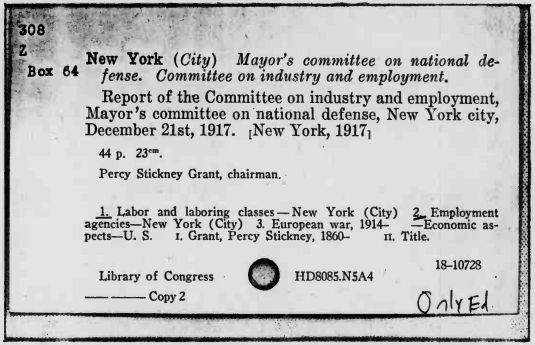

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Percy Stickney Grant, chairman.

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REPORT
OF THE
COMMITTEE ON INDUSTRY AND EMPLOYMENT

MAYOR'S COMMITTEE ON NATIONAL DEFENSE
NEW YORK CITY
DECEMBER 21st, 1917

MAYOR'S COMMITTEE ON NATIONAL DEFENSE

NEW YORK CITY

THOMAS L. CHADBOURNE, JR. - - - - - - - - - *Chairman*

P. J. McCOOK - - - - - - - - - - - - - - - *Chairman*

LEWIS L. CLARKE - - - - - - - - - - - - - *Treasurer*

COMMITTEE ON INDUSTRY AND EMPLOYMENT

REV. PERCY STICKNEY GRANT - - - - - - - - - *Chairman*

*PROF. H. R. SEAGER - - - - - - - - - - - - *Chairman*

JOHN A. FITCH - - - - - - - - - - - - - *Vice-Chairman*

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GEORGE A. BELL	W. D. BALDWIN
SAMUEL McCUNE LINDSAY	JOHN P. PINNA

HENRY D. SAYER

J. B. BUELL - - - - - - - - - - - - - - - *Secretary*

* Resigned October 1, 1917.
** Resigned November 14, 1917.

THOMAS L. CHADBOURNE, JR.,

Chairman, Mayor's Committee on National Defense.

Sir: As you know the Committee on Industry and Employment had the good fortune to have as its first chairman, Professor Henry Seager, and as secretary, Mr. J. B. Buell.

To Professor Seager was due its successful constructive policy and proposed national legislation. In October, Professor Seager was appointed secretary of the Shipbuilding Labor Adjustment Board of the Emergency Fleet Corporation.

The present chairman, appointed in November, feels that his highest service will consist in preserving and making available the work of his predecessor and of the Committee.

I wish to express my appreciation, too, of our secretary, upon whom the committee have leaned heavily, not only for ordinary daily duties but for initiative and for expert opinion.

I also wish to record our good fortune in having as Vice-Chairman the last few weeks of our service Mr. John A. Fitch.

In making the following report the Committee have in view two specific purposes. We desire to summarize the experience gained during the course of our activity and to make it available to others who may be called upon to deal with the problem of employment. Our experience, too, has forced upon us certain conclusions, and a statement of these may assist those who have at heart, and may be responsible for, the successful mobilization of our industrial resources.

The President has well said that this is a war, not of armies but of nations, and in any national organization for this one supreme purpose, the adjustment of our labor forces to meet the increasing demands made upon them, becomes of supreme importance.

While, however, it is the war which supplies the added motive for better industrial organization, we must not forget that many of the basic principles on which this organization is to be builded have been established in times of peace and that much of the machinery which will develop as a result of the war may well remain to serve us effectively in the new social order which seems bound to come after peace has been declared. It would seem as if, in the industrial field, as in no other, machinery forced on us by a war economy ought to be fashioned so as to deserve permanence in any progressive programme.

The committee does not wish to over-emphasize the importance of its results or of its conclusions. Up to the present time we have merely touched the edge of those industrial demands which are sure to come. Certain tendencies, however, are already seen; certain situations should immediately be met. To these we hope that this report may make a definite contribution.

PERCY STICKNEY GRANT, *Chairman,*

Committee on Industry and Employment.

ACCOMPLISHMENTS

Organization and Purpose: The Mayor's Committee on National Defense was organized in October, 1915, for the purpose of undertaking any local tasks necessary for National preparedness. After our declaration of War, last April, the need for more varied and comprehensive activities was evident. Accordingly, a number of sub-committees were gradually added to the general committee to more nearly meet the situation. It was felt from the first that the mobilization of our industrial resources was one of the most necessary war measures and with this purpose in view Mayor Mitchel requested Professor Henry R. Seager, of Columbia University, to organize a sub-committee, which would prepare to take up problems of labor and industry. For several reasons, among which was the fact that the need for an adequate public employment service was immediate and obvious, and that the Mayor's Committee on Unemployment had previously somewhat broken the ice along this line, the Committee was chosen with a view to getting representatives of employers, trade unions, and public officials, who had had particular interest in the public employment problem.

It was not intended, however, to limit activity to this field, although it seemed the most pressing one and, at the first meeting, the purposes were stated as three-fold. First, to coordinate existing employment bureaus to meet the special demand growing out of the war. Second, to assist in maintaining standards of health and efficiency among wage-earners. Third, to aid in the settlement of labor disputes, and to undertake other general problems, which might be referred to it by the Mayor.

Joint Committee: Somewhat prior to the organization of this committee, the Mayor's Committee of Women on National Defense had organized two sub-committees, one on Employment, and the other on Industry, with Mrs. Alexander Kohut as Chairman of the former, and Miss Amey Aldrich of the latter. The danger of duplicating efforts was heartily appreciated by all three committees, and to avoid this, and to properly correlate the work of all, a Joint Committee on Industry and Employment with two representatives from each of the women's committees, and four from the men's committee, was organized. Professor Seager was made chairman of this Joint Committee and Mr. Buell has acted as its secretary. Matters of policy arising in each of the separate committees have always been referred to this Joint Committee for its advice and approval.

Women's Employment Clearing House: The Women's Committee on Employment at the time of their organization, had had submitted to them, through the initiation of the Federation of Jewish Employment Bureaus, and with the approval of the Federation of Non-Commercial Employment Bureaus, a plan for a clearing house for employment bureaus handling women and juveniles. This plan, as outlined, provided for a central organization, which, by co-operating with the various offices of the latter Federation, would take the call which one bureau was unable to fill and turn them over to another, which had the right kind of applicants. This plan was submitted to the Joint Committee and with its approval, such a clearing house was actually established in July and financed by the Mayor's Committee of Women on National Defense. For three months during the summer, this Clearing House was continually at work, and the experience which it gained and the mistakes which it made have been of the utmost value in making possible and in determining the policy of the present Clearing House for Employment Offices.

Clearing House for Employment Offices: The desirability of this kind of an organization in the development of employment work for men appealed at once to this committee. Several points were, however, felt to be of primary importance. In the first place, it was obvious that any clearing house work for men and women should be done under the same roof and under the same general management. In the second place, the plan should be definitely linked up with the State Bureau of Employment, and the Men's Committee and later the Joint Committee expressed themselves as feeling that the actual jurisdiction should be under the State Director of this Bureau. In the third place, in view of this fact, partial financial support was to be sought from the state.

With these points in mind, Professor Seager on behalf of the Committee took steps to secure the necessary financial support. Five thousand dollars was appropriated early in the summer by the Executive Committee of the Mayor's Committee on National Defense. As a result of the effort of Professor Seager, Mr. Sayer of the Industrial Commission, representatives from the City Club and others, $10,000 was finally received from the State Defense Council as their share in the budget.

In line with the above plans, machinery was organized to establish an enlarged Clearing House for all of the public and Non-commercial Employment Bureaus in Greater New York.

Mr. Morris Ernst, a member of this Committee, undertook the management of the Clearing House and an efficient staff to supplement the personnel already with the Women's Committee, was selected On October 5th, the Clearing House moved into quarters at 44 East 23rd Street, and has been in active operation since that time. The whole plan has been necessarily an experiment, and its success or failure should be of material interest not only to those who look upon it as purely a war measure but also to those sincerely interested in the development of public employment work in this country. Later in this report, Mr. Ernst will give in detail the actual operation of the machinery which has developed.

Federal Employment Service Bill: Any investigation into the local field of public employment work brings inevitably forward the need for an adequate federal employment service providing machinery for exchange between all parts of the country. The Committee felt strongly that whatever efforts were made in New York City would be lost and inadequate unless the Federal Government took some steps in this direction. Accordingly, Professor Seager, with the aid of Mr. Barnes, the State Director of Employment, Professor Parkinson of the Legislative Drafting Department of Columbia University, and other interested individuals drew up a bill, providing for such a Federal Service. It was submitted to the Men's Committee and, after a number of changes, was approved by it and by the Joint Committee. Professor Seager then took the matter up with the Department of Labor in Washington, where other changes were made and approved. He finally presented the bill in its amended form at the annual meeting of the American Association of Public Employment Offices and secured the endorsement of that body. It was felt that the introduction of the bill during the special session was tactically unwise and so it was not pressed further at this time. At a recent meeting of the Committee, Mr. Barnes and Mr. Andrews, representing the American Association of Public Employment Offices and the American Association for Labor Legislation respectively, were appointed as a committee to put the bill in its final shape and as a result of their efforts it has already been introduced as S3078 in the Senate and H. R. 7222 in the House. There seems to be every likelihood that it will become a law. A more detailed analysis of the provisions of the bill will appear later in the report.

Board of Control of Labor Standards for Army Clothing Contracts: During the summer, complaints were made to this Committee through

the Committee on Aliens and through various Trade Union officials to the effect that contracts for army clothing were being given to shops where conditions of labor were most unsatisfactory. Long hours, low wages, child labor—were all said to be common. This, combined with a large amount of unemployment in the clothing trades, due partly to the fact that a relatively large number of contracts were not being placed in New York, the natural center of the trade, led the Committee to feel that some definite action was necessary. The matter was taken up with Secretary Baker, first by Professor Seager and eventually by Mr. Chadbourne and Mayor Mitchel. The pressure thus brought to bear, together with advice from other sources, resulted in the establishment of a Board of Control of Labor Standards for Army Clothing Contracts, empowered to supervise labor conditions in all contracting establishments and providing for certain definite standards, which were to be observed. This Board thus far is unique in the Government's labor policy and may well serve as an example for similar steps in other departments.

Mediation: While the early activities of the Committee were entirely in the employment field, as time went on other industrial matters came more and more to our attention. In three specific instances, the Secretary was asked to assist in the investigation and mediation of labor disputes. At the time of the longshoremen's strike in New York, we were able to be of some small assistance to the National Adjustment Commission, which was here for that purpose. At the time of the milk and the butcher strikes, Dr. Moskowitz, who in both cases was acting as mediator, called on us for aid, which we were able to give. The milk strike ended in an agreement between the drivers and the Borden Company, granting a wage increase and provided for recognition of the union and collective bargaining in the future. The butcher strike gradually wore itself out owing to a very loose organization both among employers and in the union.

Special Mission from the British Ministry of Munitions: About the middle of October, Mr. McCook, the Director of the General Committee received a request from the Secretary of War and the State Council of Defense, asking him to arrange suitable conferences for a Special Mission from the British Ministry of Munitions, who were, at that time, making a tour of the middle western and eastern states. Meetings were desired with representative employers, labor leaders and public officials in order that they might hear the story of England's war industrial experience which these men had to give. Plans

were immediately put under way with this end in view. The Secretary went to Detroit, met the Mission there, and drew up a tentative program for their visit in New York, which in view of the value and interest of the material they were presenting was a considerable extension of the original plan.

Not only the Committee on Industry and Employment, but the staff of the General Committee, devoted most of their time to the work. Arrangements were made for an employers' conference through the Merchants' Association, and for labor through the Central Federated Union in Manhattan and the Central Labor Union of Brooklyn. A number of special conferences and luncheons were held with different groups, such as the State Industrial Commission, the Committee on Women in Industry, the Committee on Vocational Training of the Council of National Defense, the New York Editorial Conference, the local Exemption Boards and others. An initial luncheon was given by the Mayor's Committee and a dinner by the United Engineering Societies.

The Mission more than fulfilled our expectations and was met with the warmest sympathy and approval from every quarter. Probably no other message could have come more opportunely than the one which they presented of England's war industrial problems and her experience in meeting them. We are already seeing the results of their visit reflected not only in our local situation but in National policies being laid down at Washington.

Co-operation with the Shipping Board: At the request of the Emergency Fleet Corporation and the Division on Cooperation with States of the Council of National Defense, the Secretary has been called twice to Washington in reference to possible co-operation with the labor program of the Shipping Board. Investigation has revealed the need for certain immediate steps, and suggestions to this end have been made. As yet, the situation has developed no further, but may well do so.

Fire Inspection: Early in July, at the request of the State Defense Council, the Committee organized the Bureau of Fire Inspection in charge of Mr. F. G. T. Stewart, of the New York Board of Fire Underwriters, for the purpose of making a continuous inspection in all warehouses, and plants working on Government contracts. Mr. Stewart volunteered not only his services, but those of twenty-seven trained investigators under him. He has had the hearty co-operation of the City Bureau of Fire Prevention and has done a most excellent

piece of work. One thousand and twenty-four inspections have been made and in 294 cases corrections have been suggested. Recently, as a result of this investigation, he reported that most of the private schemes for the placing of guards, particularly along the waterfront, were inadequate and that his inspectors had a little trouble in reaching the plants unmolested. A detailed report on the matter was sent to the State Defense Council and then to the Secretary of War, asking for some sort of action. It arrived at an opportune time, when plans were already under way for such a provision, and, in line with these recommendations and advice from other sources, guards have been so established.

Conclusion: In October, Professor Seager was called to Washington to act as Secretary of the Labor Adjustment Board of the Emergency Fleet Corporation and felt obliged to resign his chairmanship in view of the larger service demanded of him. The Reverend Percy Stickney Grant was asked by the Mayor to accept the chairmanship, thus left vacant, and at the request of the Committee's new chairman, Mr. John A. Fitch was made the Committee's Vice-chairman.

In presenting this record of things done, the Committee feels most strongly that many things have been left undone. If, in June, it had been possible to foresee the course of events and to prophesy the needs which would arise, much delay could have been avoided. If a coherent policy had been laid down by the administration at Washington, we might well have functioned more intelligently and efficiently. We found at the beginning of the summer, existent in New York, as everywhere, a multiplicity of committees, boards and voluntary organizations none of which occupied any well defined field or possessed well defined authority. This Committee has throughout sought to avoid becoming simply an additional organization in the wild scramble to obtain credit for some sensational piece of war activity. It feels that whatever may have been lost by a conservative policy has been more than repaid by the number of instances in which duplication has been avoided and earnest and successful correlation attained.

THE DEVELOPMENT OF PUBLIC EMPLOYMENT WORK IN NEW YORK STATE AND CITY

The attempts which this Committee has made to further the development of public employment work in New York City are the logical results of a long period of agitation and slow improvement. The history of that movement shows clearly several definite stages through which public opinion has passed, and, in order to benefit at present by those experiences and to understand the significance of the two achievements in which this Committee has had a part, the Employment Clearing House and the Federal Employment Bill, besides enabling us to point out the direction in which next steps should be taken, it may be well to outline them briefly.

The first active demand for some form of public employment work began between 1885 and 1890, as an outgrowth of a general feeling that private agencies were not handling the situation and that the State should take some hand in the matter. The concrete results of this agitation were the passing of laws in 1888 and 1891 regulating private bureaus in Manhattan and Brooklyn and, finally, in 1896, the establishment of a public bureau in Manhattan. The law placed this bureau under the Commissioner of Labor Statistics, who was authorized to appoint a superintendent and other clerks to keep a list of all applying for work and for help. No fees were to be charged. A sum of $5,000 annually was appropriated to finance the bureau and the office began operations July 20th, 1896, at 331 East 14th St.

This first Public Employment Bureau in the State of New York had a precarious existence for a period of nine years. The budget from the very first was utterly inadequate and it was always incompletely staffed. During this time, it occupied three different offices. It moved from Fourteenth Street to Twenty-ninth Street, in 1897, and again in 1901, to Thirty-first Street. It failed to get the co-operation of either organized labor or employers and, finally, in 1905, a Committee of workingmen's representatives and charity workers, after making an investigation at the request of the Commissioner of Labor, reported, first, that the bureau was practically an intelligence office for women and domestic servants; second, that the sum appropriated was wholly inadequate; third, that the money could be better used in dealing with problems of factory inspection and child labor; and, finally, recommended that, in view of these facts and of the great improvements in the methods of conducting private agencies, there

was no cause for such a bureau and that it should be abolished. As a result of this investigation, the Commissioner of Labor, followed the recommendations of the Committee and later in the year did abolish the office.

Thus the development of the public employment bureau received a first and most serious set back. That it hardly received a fair trial did not matter. It had been reported a failure, and however well those who advocated State work may have prepared their case, this practical experience has proved a powerful argument in the hands of their opponents.

Contemporaneously with the establishment of this public bureau, and gaining particular headway about 1900, came a strong campaign for better control of private agencies. Investigations kept bringing to light the amount of graft and frauds attributable to them.

Accusations were continually being made, among which were those of dishonest advertising, securing fees under false pretenses, co-operation with the liquor and vice interests and many others. In 1900 the matter had become so notorious that Governor Roosevelt, in his message to the Legislature, recommended strongly State supervision of private agencies, and, in line with this recommendation, the Ford-Kelsey Bill was introduced in the Senate. It was a comprehensive measure, providing for license, stipulations as to the kinds of records to be kept, fees to be charged, prohibiting bureaus from locating in saloons, etc. It received wide support from trade unions, philanthropic societies, and interested organizations. It did not pass, however, owing to upstate opposition.

Meanwhile, further investigations conducted by the Women's Municipal League, the Association for Household Research, and other organizations emphasized the existing evils. Finally, in 1904, as a result of these investigations and agitation, a law, based on the Ford-Kelsey Bill, vesting the authority for its enforcement with local authorities, was passed, and a commission in New York having full control over employment agencies, was appointed. This commission selected a staff of inspectors and conducted a continuous investigation of complaints.

It is not to be thought that even yet their regulations and method of business is by any means ideal. Organized merely for commercial profit, this probably can never be and it would undoubtedly be better if they could in time be abolished entirely as they have been in England. At present, however, owing to a decision of the Supreme Court

of the United States in 1914 declaring a law unconstitutional which was passed in the State of Washington, prohibiting the acceptance of fees by any employment bureau, such action is impossible.

After 1906, for a few years, interest in the general subject seems to have waned. The public bureau had just been called a failure, and people were content to leave the work to private bureaus, if the State or City would keep a strict hold on their activities. In 1909, however, a survey of the employment and unemployment problem by Dr. E. T. Devine, called attention to the need for some sort of bureau which would approach the problem from a broader social standpoint than did any of the private agencies, and a compromise measure was recommended in a bureau which would charge a fee and eventually plan to pay its own operating expenses, but which would lay stress on the more social aspect of its work and make a real contribution to the solution of the problem. It was hoped that this plan would thus combine the good elements in both the public and private bureaus and the bad points of neither. Accordingly, the National Employment Exchange, under a Board of Trustees, composed of many of the city's most wealthy men, was organized, and a sum of $100,000 raised as an initial working fund. The first two or three reports show that this ideal was kept rather clearly in mind, but gradually it seems to have become impossible to make the organization self-supporting and philanthropic at the same time. It now does a rather high class placement work on a strictly commercial basis and is a striking testimony to the effect that we cannot expect a bureau to have a point of view half social and half mercenary, and that where such is the case the pressure to declare dividends inevitably outweighs any broader philanthropic considerations.

In 1911 a commission was appointed whose report met squarely the need for an adequate employment service and which turned the tide towards a public system operated by the State.

This was the Wainwright Commission, appointed to investigate the general problem of unemployment. In an extensive report, covering the whole subject, they revealed a universal and continuous state of unemployment. They reported that, in 1900, 25% of those engaged in manufacturing and mechanical pursuits were unemployed some time during the year, half of them being out of work from one to three months, 37% from three to six months, and 56% suffering unemployment for an average of two months. They found, moreover, that private employment agencies were able to find work on the average

for but one out of four applicants, and from these facts and many others they justly concluded that some intelligent and permanent state action was necessary. As a part of their final recommendations, which covered the whole question of industrial organization, they urged a system of public employment exchanges, covering all sections of the state, which should provide machinery for bringing men and jobs together, which would aid in directing unskilled workers into the skilled trades, and furnish continuous statistics and information regarding the general state of unemployment. Moreover, a bill embodying these recommendations was appended to their report, which placed the administration of such a bureau under the Third Deputy Commissioner of Labor and provided for offices in New York, Buffalo, Rochester, Syracuse, Albany, Binghamton and Watertown, with such branch offices as might seem necessary. Other features of the bill provided for neutrality in strikes and lockouts, advisory committees, separate departments for men, women and juveniles, provision for advertising, and many other excellent features.

Public opinion on employment service of this kind continued to gain momentum during the next two or three years and, in 1914, pressure from a number of sources brought the matter definitely to a head. A committee of the City Club issued a most timely report, giving a brief survey of public employment work in this country and also of the system in a number of more important foreign countries. It also included a draft of a law providing for the establishment of such a bureau, and a bill modelled after their recommendations and those of the Wainwright Commission was introduced early in the year and became a law in April. The first office was established in Brooklyn, on January 4th, 1915.

Almost simultaneously as a result of all this general agitation, a good deal of which had centered in New York City, and the further demands which a most serious industrial depression and consequent unemployment made for some immediate action, the City of New York decided to set up a public bureau under its own administration. This action actually preceded that of the State, and a public office under the administration of the Department of Licenses was opened in November, 1914.

It will be remembered that the condition of unemployment in the city grew more and more serious. In December it was estimated that between 200,000 and 300,000 persons were out of work and, in view of these facts and to further aid in meeting the situation, Mayor Mitchel

appointed a large Committee on Unemployment. This Committee immediately engaged on a most extensive work, aimed not only at the relief of temporary distress, but toward the adoption of measures which would make unlikely the recurrence of the situation. Naturally, among other things it gave hearty support to the new city bureau and did all in its power to develop public employment activity here in the city. Several investigations were made showing the status of unemployment and existing needs. Contributions were made during the first year to the Municipal Bureau for advertising and other expansions not included in their budget.

Its accomplishments which made particularly for progress and improvement, were the organization of two societies, representing two important factors in employment work. The first was a federation of the larger and more intelligent non-commercial employment agencies, including the City, State and numerous philanthropic bureaus. This Federation has, since its organization held regular meetings, at which problems of common interest have been discussed. Investigations and reports have been made and a Bureau of Information, to which the calls of any co-operating agency may be turned over for investigation, has been established. A feeling of unity and co-operation has developed, which cannot be underestimated. The other was a society for the study of employment problems, now called the Executives' Club, composed of employment managers, which has afforded excellent opportunity for progress in this field and has been most helpful in bringing employment managers and employment bureaus together. This work of the former Mayor's Committee on Unemployment has paved the way for more than anything else for such accomplishments as the present Committee has been able to make.

Last June, therefore, when this Committee was appointed, our employment system in New York City had reached this stage. We had a State Public Office in Brooklyn, with three branches, which is part of a state system with main offices in Rochester, Syracuse, Buffalo and Albany, and sub-offices under each. We had a City Bureau with offices in Manhattan and Brooklyn and five branches supported largely by private organizations. Besides these there was a Federal Employment Bureau, and some 125 philanthropic private organizations doing a greater or less amount of placement work. It seemed obvious that the next step needed was some method by which all this miscellaneous activity could be linked together and the existing

duplication at least partially eliminated. Accordingly, as has already been recorded, we assisted in the establishment of the Clearing House for Employment Offices, which is developing machinery to accomplish this purpose.

Moreover, the theory on which its organization is based represents the Committee's attitude toward the whole problem of division of function and jurisdiction in employment work between the State and the City. That both have a duty to perform there can be no question. The city must be concerned with keeping down unemployment amongst its population, and with enabling employers to secure workers and workers employment, with a minimum of time and expense. The State should be interested to the same end over a larger territory and with a larger population. It seems to this Committee that the same principle which is applicable to a Federal Service is applicable within the State. Let the State operate and finance district clearing houses to which local bureaus shall report. Let it contribute dollar for dollar to the appropriations which the city makes, requiring in return that the city shall follow the general uniform rules as to records, method of reporting to the district office and the like, which it lays down. Much the same argument for such a method applies here, as applies to the Federal Bill, which is contained in a later section of this report. Moreover, that bill, as drawn up, provides that unless a city does work out such co-operation and agrees to this form of state supervision it will not get its share of the Federal allotment.

As an immediate and practical step, however, it is most essential that both the state legislature and the city authorities realize the necessity of extending what is already being done. It is useless to contend that either system meets our present needs. Both State and City offices are working at maximum capacity and accomplishing much more than could legitimately be expected with the equipment available, but an increase in the number of our local offices, with corresponding addition to their staffs, is a primary condition of effective work. The work of a Clearing House rests entirely upon the work of the local office and if our experience has shown anything it is that these must be increased and made more effective.

The establishment of either a complete State employment system or an adequate Federal Service will necessarily include provision for district clearing houses. In fact it represents the most important administrative feature in either plan. The Clearing House, in the

organization of which the Committee has assisted, came as a necessary next step in meeting the employment needs of New York City. It is the first of its kind in this country and, as the war demands extension of our employment service, its machinery and its experience should be of the greatest value. A detailed description of the Clearing House by its present manager, Mr. Morris L. Ernst, follows:

THE CLEARING HOUSE FOR PUBLIC EMPLOYMENT OFFICES

Morris L. Ernst, Manager

The Clearing House for Employment Offices since the beginning of October, 1917, has been conducted under the State Defense Council. Hon. Henry D. Sayer, Chief of the Division of Industry of the State Defense Council, designated the Bureau of Employment of the Industrial Commission as the supervising bureau. The intent of such designation was to connect in a practical way the Clearing House with the existing state system of public employment offices which, for several years, has been under the direction of Charles B. Barnes.

The object of the Clearing House is primarily to clear, through constant exchange, information from one employment office to another. Any non-fee charging placement office can avail itself of the service. The nucleus of the co-operating offices was the Federation of Non-Commercial Employment Offices, an organization created through the work of the Mayor's Committee on Unemployment of 1914-15.

The number of co-operating officers has been successfully increased to the following extent: During November, 1917, the Clearing House transferred orders for help to 65 separate offices and received orders for help (surplus orders are sent in so as to be transferred to other offices) from 31 separate offices. Since the number of co-operating offices has more than doubled in the last two months, a distinct problem has arisen as to whether it is the better part of wisdom to further encourage in certain parts of the city the growth of what are now mere incidental pieces of placement work. This

consideration on the other hand after even a cursory examination points to the lamentable scarcity of non-fee charging offices in such thickly populated sections of the city, as the lower East Side, South Harlem, the Bronx, and to the inability of the State Bureau to adequately cover Brooklyn with the small appropriation granted by the legislature. A list of the co-operating offices is found as Appendix B.

The original plan of operation was as follows: Each day after noon time the Clearing House telephoned to each one of the co-operating employment offices to procure such orders as the offices had but could not fill. Such orders were divided into male and female, and then tabulated by trades and occupations. The same night a bulletin was printed and mailed to each office. The following morning the offices at the time of registering applicants called upon the Clearing House for such orders as were on the bulletin and would fit certain applicants. Upon the advice of the placement Secretaries of about 40 offices, the bulletin has been discontinued, because of the impossibility of making it absolutely complete. This condition existed because orders were constantly coming into the Clearing House even after the publication of the Bulletin.

Whereas, the public spirited co-operation of the various employment offices made the Clearing House possible, it is to be regretted that some offices hold unfilled orders for help, too long a time before turning them into the Clearing House for redistribution. As a general principle, orders received at any employment office should not be held longer than noon of the following day, unless a particular applicant has previously registered at that office is definitely expected to call the following day. A further subject of regret is that so far it has been impossible to work out a system of co-operation with the Y. M. C. A's. These institutions although built on broad civic foundations as yet have been unable to see their way to use the Clearing House service. The Clearing House, by statute, cannot be a party to any employment service which charges a fee either to employer or employe and the practice of fee charging which exists in the Y. M. C. A. prohibits the use of the Clearing House to them. The example of the Y. W. C. A. and at least one branch of the Y. M. C. A. may assist in bringing about the desired change in this respect.

The fact that many employers are calling upon not one, but possibly a dozen employment offices for the same help is the funda-

mental reason for another phase of the growth of the Clearing House. Employment Offices are constantly sending out applicants only to find that several other offices had the same call at the same time, even though there was only one vacancy to fill.

Such uneconomic procedure has led some co-operating offices and many employers to use the Clearing House as a distributing agency. In consequence calls received at the Clearing House from employers direct have increased as follows: July, 50; August, 79; September, 100; October, 476; November, 730. The value of the Clearing House in such distribution is evident. Through constant daily contact with many registration points, i. e., the various employment offices, the Clearing House staff becomes familiar with the type of registrants at the various offices. Calls for a porter, a cook, a stenographer, an elderly woman for hand sewing, a boy to learn a trade, etc., would each be directed to the offices specializing more or less in just such applicants. The knowledge which permits such scientific division is not in the possession of the employer seeking help and so he often calls on exactly the wrong office for the help wanted at the particular moment.

This centralization which permits of a distribution based upon employment facts also aids the Clearing House in handling special problems. Alien enemies were barred recently from certain zones. Every one realized the necessity of getting work for unemployed Germans and through the Clearing House, orders permitting the use of aliens were distributed to four offices which either regularly or for the special period specialized in placing such foreigners. And again through the Clearing House many employers were advised of the possibility of using colored help, and such orders were expeditiously distributed to several agencies handling only colored persons. The above must serve merely as illustrations of the advantages of centralizing the distribution of orders. Impartiality in distribution must exist under such a system and with pleasure I can state that I have yet to hear a first criticism to the effect that any office had been shown a preference which it did not deserve because of proximity to the job or type of applicant.

The Budget of the Clearing House is $20,000, $10,000 of which was appropriated by the State Defense Council, $5,000 by the City of New York through the Mayor's Committee on National Defense, and $5,000 by the Mayor's Committee of Women on National Defense. The estimated division of the Budget is as follows:

Rent	$1,350
Light	100
Telephone	1,500
Furniture and Fixtures	1,000
Postage and Stationery	1,500
Towel service, water, express	150
Traveling	100
Miscellaneous	300
Salaries	14,000
Total	$20,000

In explanation of the above, the following may be of interest: The rent is for floor space of approximately 1,500 square feet; the telephone item anticipates sending of 40,000 outgoing messages through the use of 8 trunk wires and 8 extensions; the furniture and fixtures account includes desks, chairs, filing cabinets, multigraph machine, etc.; the postage and stationery item includes mailing circulars and bulletins to co-operating offices; the salary item includes a personnel of about twelve people.

Some of the special work which the Clearing House is undertaking is in connection with Government contracts. Women have been sent to a large munition plant in New Jersey; men have been shifted from sugar factories in Brooklyn to cantonments in Long Island; jewelry workers have been directed to employment in munition plants in New Haven; draft boards have been supplied with employes; the Federal Government has been assisted in securing stenographers; and much time has been spent in assisting in the placement of aliens thrown out of employment through zone restrictions. In all of this work Placement Secretaries of co-operating offices have been called into conference and many of the most valued improvements which have been made in the service have arisen through suggestions received from such sources.

Some of the most important statistics of the Clearing House show as follows:

	*June (3 days only)	*July	*Aug.	*Sept.	Oct.	Nov.
Number of calls	62	507	924	715	1240	1160
Number of persons applied for	232	1196	2461	2492	2776	1896
No. persons referred	—	—	—	—	1239	1996
No. placements verified	5	51	100	62	244	652

*These figures are from the Women's Clearing House, before the re-organization.

To show the type of workers handled at the Clearing House the following may be of interest:

From October 22nd to December 1st.

INDUSTRY	No. of persons applied for on C. H. orders		Total persons referred on all orders		No. of persons placed on all orders	
	Male	Female	Male	Female	Male	Female
Agriculture	8	—	7	—	2	—
Bldg. cons. and trans. Laborers	614	11	693	—	295	—
Casual	3	1	—	—	—	—
Clerical, etc.	273	375	253	428	67	98
Domestic, institution and building maintenance	65	91	77	78	34	13
Factory	623	655	492	438	113	138
Mercantile	23	30	18	57	10	14
Total	1609	1163	1540	1001	521	263

In explanation of the above statistics it is worth while recording that in the women's department prior to November 1st three times as many clerical as factory positions were filled, whereas, since November the proportions have been very nearly reversed. Further, the falling off in the number of calls and persons called for can be explained by the fact that the Clearing House has designedly declined to accept what might be termed unfillable orders. For example, there is no advantage to any one in having the Clearing House accept and record orders for office boys at $5.00 a week when competing firms offering similar opportunities for advancement are paying $8.00 to $10.00 a week for the same type of workers. It would have been a simple matter to have doubled or tripled the number of orders if the mere publication of statistics were the object of this institution.

Some of the difficulties with which the Clearing House will have to deal in the future are the following:

(1) The inadequacy of budgets of the co-operating employment offices, as a result of which the individual placement offices are seriously limited in their work.

(2) The absence of employment offices in certain thickly populated parts of the city.

(3) The absence of any definite method of co-operation with the Federal Government, more particularly as concerns those departments of the Federal Government which are letting large contracts in this vicinity.

Aside from any direct benefits which may accrue to this city and state through the activities of the Clearing House, the changes made in the modus operandi cannot but prove to be of assistance to the Federal Government at a later date. The lessons being daily learned in the sound establishment of this office may prevent similar mistakes being made at the time when many clearing houses will be essential to connect the employment service of the nation.

FEDERAL EMPLOYMENT SERVICE—A WAR NECESSITY

Any consideration of local employment problems, any attempt to improve local machinery, brings home most keenly a realization that no matter how excellent that machinery may be, either in the city or throughout the State, it can never be finally effective until linked up in some way with a uniform Federal system.

From the standpoint of our local needs such service would be invaluable. The movement of labor is not confined to state boundaries. At the present time we have no direct connection with the employment bureaus of Connecticut, New Jersey, or Pennsylvania. Between these three states and New York City there is as much exchange of labor, probably more, than between this city and up state, For what general flow there is between us and other parts of the country the same holds true. Besides the concrete advantage of direct connection with the labor supply of other states the advantage of Federal supervision, uniformity, and perhaps financial assistance in local work are obvious.

From the standpoint of the country as a whole, especially in the present crisis, some form of Federal Employment Service is an imperative necessity.

Available labor everywhere must be registered at recognized places. Likewise, we must localize and register the demand. The entire field must be covered. It will not do to have employers in one State or City registering their demand in certain places and employees in that section applying to entirely different places. We must not have employers in a plant in one State stealing employees from another, and this made possible because there is no central office which is in touch with labor at all points. If we are to have a Public Service Reserve, we must have a uniform machinery with which to enroll that reserve. If we are to shift any large number of laborers from one section of the country to another, we must have a uniform administration which will advance carfare and which can authoritatively assure workers that the job is there and the employer that a man with the proper credentials is being sent to fill it. Whatever may be the inherent limitations of the public employment bureau, an adequate machinery of this kind is absolutely necessary as a first step toward meeting our industrial needs.

These facts were so little recognized at the beginning of the war that the Department of Labor, when it asked at the last session of

Congress for the modest sum of $750,000 to extend the work of its Federal Employment Bureaus, received only a meager $250,000, in these days of billion-dollar appropriations. This amount, moreover, was granted as a last-minute rider to the appropriation bill, after it had been turned down by committees in both Houses of Congress.

Such action is typical of our past attitude. Time and time again, bills providing for a Federal Employment Service, have been introduced into Congress and have received little or no attention. A change, however, seems to be rapidly coming. The difficulties which have already arisen in dealing with the labor situation, the decided emphasis by British representatives on the importance of industrial organization and the efficient use of our man-power, are increasingly emphasizing the work of the Public Employment Bureau. The President definitely recognized the situation in his address at Buffalo. The American Federation of Labor, always somewhat hostile to any extension of public employment work, passed a strong resolution favoring it at the last convention. The time seems to be ripe for favorable action.

To understand what we need, we must understand what we have. Before presenting the bill for a Federal Service which the Committee has drawn up we wish to briefly outline not only the existing situation in the United States today but also that in England and Germany, on whose experience we may well draw.

American Public Employment Bureaus: An analysis of our present system shows the following types of public bureaus which are of sufficient extent to demand recognition: Federal Public Employment Bureaus, State Public Employment Bureaus, Municipal Public Employment Bureaus, Public Employment Bureaus operated jointly by the Federal and State governments, by the Federal, State and Municipal governments, and at least one instance of bureaus under the administration of the Federal, State, City and County authorities. By far the largest class is the private commercial bureau, operating for gain, with a long list of accusations and denunciations filed against it. Many trade unions either have an actual employment system or informally place their members. In the employment work of philanthropic societies, there is infinite variation, including such as is done incidentally by relief organizations, by church and settlement houses, by trade schools, by immigrant societies, and by private organizations for the specific purpose of operating an employment bureau. Employers

associations in some trades operate employment bureaus largely for the purpose of combating the effectiveness of trade unions.

If we are to extend our system and organize it on a basis which will do the work of the present emergency, the most important nucleus is, of course, the different kinds of public bureaus. Of these, the Monthly Review of the United States Bureau of Labor Statistics for September reports the following: Federal Employment offices in twenty-eight states and the District of Columbia; State Employment offices in seventeen states; Municipal offices in seven states; Federal-State Employment offices in two states; Federal, State, County and Municipal offices in one state; State-Municipal offices in three states.

In the administration and organization of each group there is equal variation. The following brief summary gives the main points in each:

The Federal Offices: These have been incorporated in a Division of Information under the Bureau of Immigration of the Department of Labor. Authority for their operation is extremely doubtful, coming under the authorization of the Bureau of Immigration to obtain employment for immigrants "and others." They have been inadequately financed out of the money coming to the Bureau of Immigration from the immigrant head tax. In all cases they are simply local employment offices and, while often doing a certain amount of interstate business, they have no co-ordinating control over any of the State or Municipal offices, nor does their administration provide for adequate mutual co-operation. In September, fifty-one of these bureaus were listed in the twenty-eight states, but in only twenty-eight were there placements of over one hundred people. Five of the Federal bureaus work in co-operation with State or Municipal Bureaus, but in most cases, as at present, organized, they simply add to the duplication and lack of administrative uniformity already existing. Within the last few days, as a war measure, they have been taken out of the Bureau of Immigration and placed directly under the Secretary of Labor.

State Bureaus: Seventeen states operate one or more public employment offices. In some cases, the state operates simply an individual office or two in the largest cities, in others an attempt is made to cover the field by a chain of offices. In no case are we able to find that it actually does so with central clearing houses to link up the different branches. Administration is usually under the State Bureau of Labor Statistics, the Department of Labor, Industrial Commission,

or whatever administrative machine of this kind exists. Often their supervision is an adjunct to the work of some already very busy official.

Municipal Bureaus: These have, in many cases, as in New York, arisen out of a local program for relief in time of great unemployment. Often they are the result of political manipulation with patronage as their immediate aim. From the very nature of the cases, there is a total lack of uniformity in their administration and organization, and they may be under a Charitable Department, Department of License, Comptroller, directly administered by the Mayor, or whatever department happens to be handy at the time of their organization. Some of them are without doubt doing very good work, but the majority are inadequately staffed, poorly financed, and handle largely unskilled and domestic labor.

In Ohio there is a definite policy of State and Municipal co-operation, all of the larger bureaus being administered on this basis. The results indicate that it is a step in the right direction. In many cases, however, where co-operation is claimed, it does not mean centralized administration. In New York City, for example, to assure amicable relationship, the Federal Department has loaned men to both the State and Municipal Bureaus and, in turn, has been allowed to add the statistics of these bureaus to its reports.

Summary: Such, in general, is our American system. Investigations have continually reported that the work of all of our public bureaus has in most cases been of a very inefficient nature. Offices are generally poorly equipped. Unskilled labor predominates in the men handled. Uniform records do not exist. Most of the bureaus are under-staffed and the workers underpaid. Very seldom are they looked on with anything like universal favor by employers or by trade unions. The picture, it is true, has a bright side. Great advances have been made within the last five years and the importance and theory of the work have been gaining wider recognition.

To meet the present emergency, however, a system of this kind described is utterly inadequate. We are about to pay the price for our peace indifference in a time of national necessity. Under a system of this kind the Shipping Board would have to send out as many orders as there are Bureaus to get co-operation from different parts of the country. Even then, it would probably be worth very little. Our Employment Bureaus simply do not and cannot fill the bill. Something must be done quickly and intelligently if we are to get the

results we need. We must utilize all our available machinery and create more, and we must do it in the light of our own experience and the experience of other countries in dealing with the problem.

England and Germany, our greatest ally and our greatest enemy, have two of the best European systems of employment bureaus. They differ radically, representing two well-defined theories, and a brief description of each may serve to throw light on our American problem.

Great Britain: Prior to 1909, Great Britain had a system of municipal and philanthropic employment bureaus. They were markedly inefficient and showed an increasing tendency to become merely relief or charity bureaus. In 1909, the British Labor Exchange Act, providing for a national system of labor exchanges under the Board of Trade, was passed. Great Britain was divided into eight large districts for the purpose of administration. Within each district, local registration offices have jurisdiction over well-defined territory. Each local office makes regular reports to the district office, which acts as a general clearing house and which, in turn, makes reports to the central office in London. Service is free both to employers and employees. A feature which strengthens the system is the administration, through the Exchanges, of unemployment insurance. To get his insurance, the workman, when out of work, must register at the nearest exchange and, at stated intervals, appear in person to see if work is available. If he refuses to accept a job which seems to fit him, he loses his insurance.

An important policy has been that of the attitude of the exchange in labor disputes. Employers and workmen may at any time file a statement regarding a strike or lockout in their district. If any employer makes application for workers, when such a statement has been filed by the labor union, he shall be so informed and given an opportunity to file a like statement. The Director of the Bureau is obliged to inform all applicants for work of the fact that there is a strike and of the statement filed, but is forbidden to show partiality to either side. Many exchanges have an advisory trade commission, consisting of an equal number of employers and workmen.

The system is thus a national one, administered entirely by the central government. Work by local authority has steadily decreased, and is mostly in the nature of pure relief activity. No more placements at all are allowed by fee-charging bureaus or even by philanthropic agencies. The original criticisms of the system seem to have been very similar to those prevalent in this country. Unions were opposed to the exchanges, fearing that favoritism would be shown to employers. Employers feared their inefficiency and in general disliked to use them. Many of the exchanges indeed did do poor work at first and there was a tendency to deal largely with unskilled and low-grade labor as there has been in this country. Gradually, however, improvement has been made, unions and skilled workers give better co-operation, employers use the exchanges more freely. In war times it seems to be admitted that such a system is absolutely essential. In January, 1915, the total number of Bureaus was 401. At present, there are over six hundred and we understand that plans are being made to increase this number to 2,000.

Practically all labor at present passes through the Employment Exchanges, for in no other way could the plans for shifting, priority, and dilution be effective. Even newspaper advertisement for some kind of munition workers is prohibited. They are also proving useful in carrying out other administrative measures. For example, when, in 1916, soldiers were permitted furloughs to supply the shortage of farm labor, applications from farmers had to be made to the Labor Exchanges, sifted out by them and finally transmitted to the military authority. When War Munition Volunteers were enlisted by the Ministry of Munitions, such enlistments were made through the Labor Exchanges and the available lists kept by them. All women desiring to do government work apply to the local exchange, and it is to this source that the dilution officer goes when he wishes to substitute women for men in a particular factory. In many other ways, there has been demonstrated the value of an adequate machinery of this kind since the war began.

Germany: The German system is in some respects more analogous to our own, in that employment work is local and provincial. Its development has been largely through the municipality with a certain amount of state and federal co-operation. Because of this, there is a distinct lack of co-ordination in its operation. Federations within the states and a general Imperial Federation to obviate this have met with varying success. The seven state or provincial federations which exist vary in their activity from simply holding discussional conferences to the closer organizations of Bavaria and Wurtemburg, where central offices exist, and reports are annually made to the district headquarters. In Wurtemburg, for example, a

large number of offices managed by different municipalities, send lists of their vacant positions to the central office at Stuttgart, three times a week. These lists arrive in the evening and the next morning are in the hands of all of the co-operating offices. They are posted at a spot where any member of the community can inspect them and see the nearest situation which will suit him. The State pays for the forwarding of the lists, for printing and telephone expenses, as well as part of the salaries. The Government also pays half the railroad fares. This degree of centralization has, however, with the exception of Bavaria, been attained in a few of the other states.

The variety of bureaus operating in Germany seems to be comparable to the situation here. Employers' Associations, Trade Unions, volunteer organizations, all do a certain amount of employment work. In 1915 there were 960 free employment offices reporting to the Imperial Statistical office of which 437 were Municipal Bureaus, 180 were trade union bureaus, and 146 run by guilds. Employers Associations are of importance only in the engineering industries where they very largely control the field.

In 1910 a law was passed by the imperial government regulating private employment bureaus, which distinctly places supervisory power in its hands, but leaves its administration with the states. It also materially strengthens the hands of the Public Bureaus by denying private licenses where there is no need for them, the existence of an adequate public office being taken as evidence that there is no such need.

The individual Municipal bureaus seem to have acquired a high degree of efficiency in many cases. Many grew originally out of bureaus administered and financed by private volunteer associations, which still often have a voice in their administration. The history of the Berlin bureau is an example of what has happened in many of them. In 1913 this was administered entirely by a volunteer association, with the city paying, however, 85,000 marks towards its support. This led to a demand that the bureau be administered entirely by the Municipality, and the matter was finally settled by its contribution being increased to 140,000 marks, practically the whole of the budget, and giving the Magistracy a controlling vote on the board.

Two kinds of administration are generally found, the first providing for co-operative control by representative employers, trade union leaders and city officials; the other a bureaucratic form controlled by the city administration. The co-operative form is more common in large cities; the bureaucratic, in small.

Practically no data on Germany's experience with her bureaus since the war began is available, but up to 1914 there had been recurring complaints against its lack of uniformity and numerous recommendations providing for greater Federal and State control had been made.

Dr. Merkle, in a study of that problem for the city of Munich, makes the following recommendations on these points:

"In general, there should be a state system under Imperial regulation, outlining the province of existing municipal agencies, dividing the state into districts administered by a central clearing house with branch offices in cities and large communities for the administration of the district bureaus. There should be registration offices in each community. The system should be financed by the Imperial government, State and the City. The administration of the law to be left to the state under supervisory regulation by the Imperial government."

In 1915 Federal regulation was passed requiring all local free bureaus to send twice a week lists of their surplus applicants to the Imperial Statistical office. Whether this has resulted in a gradual Federalization of the whole system or not we are unable to learn.

Federal Employment Service: In considering the form of employment service which should be adopted in the country, we must consider two important factors. We must build it with a view to getting immediate results in order to meet the present demands of the government, and we must put it on a firm enough foundation to insure its becoming a permanent factor in our industrial organization. No half way measurer will accomplish either purpose and, as we conceive it, one assures the others, for in each case the same factors must be dealt with and the same methods used.

Shall we, then, follow the example of England and scrap our municipal and state agencies, turning the whole matter over to the central government? That hardly seems wise. A good deal of usable machinery exists in our present bureaus, which if properly managed, would be of very material value. Moreover, the extent of the territory to be covered, the difference in local conditions and the value of local effort and co-operation, makes such a system more or less impractical, especially in view of the immediate war demand.

On the other hand, we have seen that Germany, even with a most efficient system of local and municipal bureaus, feels strongly the need

of some central control—some uniform arrangement which will bring each individual bureau into a complete and national system.

Obviously, it will not be enough simply to endeavor to increase the work as it is being done at present.

It seems to this Committee that the basic elements of an employment machinery, which will meet the needs of our situation, are contained in the bill which it approved last summer and which has now been introduced, with some modifications, into both Houses of Congress. Its main points are as follows:

First: A Federal Employment Service in the Department of Labor is provided for with a director appointed by the President. His salary shall be $5,000 per year.

Second: $1,000,000 is appropriated to meet the expenses of operation up to the 1st of June, 1918, and $2,500,000 for each succeeding year.

Third: This point provides that one of the functions of the Federal Service shall be to aid, and in general increase, the effectiveness of the State and Municipal public bureaus. Instead of abandoning existing local machinery, as was done in England, and setting up a complete chain of Federal offices, the Federal Bureau is authorized to co-operate with them in every way possible, to secure uniformity and standardization of method and in general stimulate them to greater activity. To this end district Clearing Houses are to be established which, under the directorship of an able man, will have jurisdiction over all local offices in that district. Each local municipal bureau will be asked to adopt records approved by the Federal organization—to report daily to the district office any calls which it is unable to fill, and in other ways to co-operate in linking the work already being done into a uniform service.

Fourth: In order to offer an inducement to state and local bureaus to co-operate in this way and to provide a greater assurance of Federal Control it is provided that $1,000,000 for the remainder of this fiscal year, and $3,000,000 for ensuing years be appropriated, for allotment "to the States in proportion to the sum which each State has expended or appropriated for the maintenance of public employment offices during its fiscal year." This sum is allotted on the condition that the State makes a continuing equal appropriation for the succeeding year and that its "public employment offices shall be operated in accordance with the provision of their Act and of the rules and regulations prescribed from time to time."

It is also provided that in computing the allotments for any state, sums expended by municipality or any other political subdivision shall be taken into account, if they are under State supervision, and that it shall have turned over to it for expenditure the proportional amount of the Federal grant.

Other important features in this bill provide that the Federal Service shall continuously receive information regarding the general condition of employment throughout the United States and shall publish that information from time to time. Provision is also included for co-operation with the postal authorities with a view to utilizing rural mail carriers and small town postmasters in small communities where an employment office is impractical.

These are the most important administration features of the bill. Neutrality in strikes is, of course, provided for and plenty of discretion is allowed to the director in working out the details of the whole system. If it is adopted it will enable us to put into immediate effect a Federal Service which will utilize and coordinate all of the work at present being done. It will place final administration and supervision in the hands of the National Director but will allow for, in fact distinctly encourage, local administration and development.

It is distinctly a constructive measure and one which will make for permanent improvement besides meeting our very pressing war needs.

It is not an English system or a German system but distinctly American, planned to meet the great variety of conditions, and the accompanying need for elasticity, which are found in this country. By the very nature of its appropriation it can at least double the amount of work now being done. By compelling uniformity, it provides that that increase shall be along progressive lines. It is the sort of measure which is indispensable if our local resources are to be linked up effectively with national endeavor and it should be passed by Congress with all possible dispatch. There is every indication that such will be the case.

INDUSTRIAL UNREST

The organization of our labor forces to meet war needs demands much more than the establishment of uniform system of employment bureaus. It means industrial efficiency on a national scale. Heretofore, indeed we have been disciples of efficiency, by which we have meant the standardization of processes, the elimination of waste, perhaps a crafty appeal to the workmen for increased effort. But this has been always within the particular plant or corporation, it has been efficiency in order to meet the competition of other plants or other industries, never have we been confronted with the need of national efficiency, national organization, to meet the competition of other nations which are so organized.

Now, however, the whole nation needs certain things. It needs ships, it needs guns, ammunition, increased transportation facilities, more food, clothing and the like. Labor and materials being the two fundamental factors needed to produce these things, we have already commenced talking about the most effective use of our man-power, meaning its direction towards the production of those articles which the time particularly demands.

To secure this we need to take a number of immediate steps, we must eventually take more. We must have an adequate system of employment bureaus. In certain lines, we may have to train unskilled workers and women to do the work of skilled men. We may need to consider how to shift workers from one place to another; we may need to consider how to stop that shifting in order to ensure continuous maximum production. These problems have arisen in England, they undoubtedly will arise here.

More important than any of these, however, in fact the very condition on which an effective use of our man-power must rest, is the maintenance of industrial peace. Without it an employment bureau is helpless and governmental machinery of any kind must eventually become inoperative. An effective utilization of the labor forces of this country for the best possible prosecution of the war must rest squarely on the willing co-operation of the rank and file of its working people. A committee on Industry and Employment which refused to take cognizance of this fact would be shirking a major part of its duty.

In a report of this character we can do little more than point out certain features which have come within the scope of our experience. By far the most important among these is the fact that industrial

unrest is increasing, despite the fact that last spring the leaders of the American Federation of Labor came out strongly in favor of a war policy and unreservedly placed the forces of labor back of the President, and that this stand was on the whole accepted by local leaders in New York and elsewhere.

True, these original declarations contained no specific promises, nor any definite program by which labor might aid the general cause —but they did evince a willingness to do their part and in most cases either explicitly or by implication agreed to use all their influence for the maintenance of industrial peace.

Several things, however, have happened which have gone far to nullify the original impetus to a better situation. In New York, for example, there was considerable unemployment during the summer, and still is, among the clothing workers. Instead of placing uniform contracts here, and thus absorbing some of this, the reverse was done, and New York was actually discriminated against. Where there was work, it was often under sweated conditions. The situation was full of dangers to a satisfactory equipment of our army.

For the construction of nearby cantonments the New York building trades early in the summer furnished large numbers of men. Difficulties almost immediately arose—some contractors refused to meet union representatives, others would not pay the union rate. In several instances it was claimed that employers were hiring unskilled men at unskilled prices and charging the government, on a cost plus basis, for the labor at union prices.

Inspectors began to crop out, of shops which had called in government troops to intimidate strikers on the ground that government work demanded such protection. In many cases war contracts were made the basis for a deliberate attempt, under the guise of an appeal to patriotism, to lower standards of hours and wages. In the state legislature, moreover, an effort under a like disguise nearly succeeded in suspending portions of the labor law. We have heard rumors to the effect that there will be a renewal of this agitation at the coming session.

Besides this, the price of food began to rise and is still rising and Congress failed to impose a tax on profits which seemed at all adequate to workmen.

In all these matters the Federal government seemed little inclined to take action. It was, indeed, most difficult to even find the party with whom a complaint could effectively be lodged. True, a Board

of Control was established in the clothing industry, and union hours and wages promised in cantonment construction, but even here only after cessation of work became imminent.

These evidences of unrest we have seen and there are many more. The Federal Department of Labor reports participation in 295 strikes in the last five months as opposed to 52 in the preceding five. The old struggle between organized labor and organized capital is going on in an increasing rather than a decreasing ratio, with this difference, that now it is playing with a war emergency and a national necessity. When the working people of the country entertain a suspicion that employers are using the war as a means to strengthen their positions, to cut wages, lengthen hours and to defeat the legitimate ends of organized labor, we must realize that the situation is most serious. When we find employers who are less concerned with serving the government than with maintaining a steadfast refusal to deal with union representatives, we have just cause for concern. When we find unions who are taking advantage of the government's pressing needs to further their own ends, there is equal cause for action.

These symptoms we find present in New York City, and indications are that the degree of unrest here is less than in sections of the middle and far west. There is no general bitterness or particular factor which has been a disturbing element. We have had no such situation as the President's Commission found at Bisbee, where 1,200 striking workmen were rounded up at the instigation of the mine-owning corporations and forcibly taken from the town and eventually left stranded in the desert. Nor is New York a non-union city where union men are universally discriminated against as are some of the western cities.

Dissatisfaction exists, however, and if we are to produce, as we must produce, it must be diminished. To do this, it seems to us that two general principles must be accepted by each faction as being fundamental. In the first place, employers must recognize the unions and deal with them. Recognition of the union has been the rock over which many an attempt at mediation has split. Employers must be made to see that the workingmen have an inherent right to organize and present their case through the leaders of their organization. Until this principle, which has been recognized in England for years, is generally accepted in this country we can not hope to proceed far, for not only will we still have one of the main causes of industrial

unrest still existent but we will lack any basis for a machinery with which to adjust the inevitable differences which arise.

On the other hand, organized labor must sacrifice some of its accepted customs and principles. Above all, they should stop all strikes and agree, for the duration of the war, to submit any differences, not possible of immediate adjustment, to a recognized board of arbitration, and to abide by its decision.

These two principles, it seems to us, are indispensable if industrial peace is to be maintained.

It is folly, however, for the government to expect the general acceptance of these principles or of any others, necessary to this end if it does not itself lay down some policy embracing them, and set up a machinery which can adequately carry it into effect.

On this point we are clear. A great deal of the work at present being done in our local industries is government work. As the war develops, more of it will be. In England, some industries are occupied up to nearly 100% by government orders. In those industries, in the particular shops and yards which are working on army, navy, or shipping contracts, the Federal Government is obviously the important and controlling factor. By virtue of its direct power to commandeer industrial equipment, and the equally powerful right to give or withhold orders, it may put into effect any policy which it sees fit. Any local attempt to settle disputes, any local measure aimed at the maintenance of industrial peace, must inevitably follow and be governed by Federal policy and Federal authority. As far as contracting shops and industries are concerned it controls the situation directly; in others not handling contracts, but of importance to the war, national necessity makes the Federal influence paramount. If industrial peace is to be maintained, we must have a satisfactory and uniform policy regarding hours, wages, and the general conditions of employment in our war industries, we must have trade agreement, and machinery to enforce them, and this must come from Washington.

On November 15, 1917, the Chief of Ordnance, in General Orders No. 13, issued recommendations to "arsenal commanders and manufacturers executing orders for the department" relative to the safeguarding of labor standards. Among its other points the recommendations included an 8 hour day, time and one half for overtime, Saturday half holiday, a provision that wage standards should not be lowered and that they should be increased to meet the cost of living, that existing channels for joint negotiation between employer and

employee should be preserved and new ones opened, and that all of the generally accepted provisions regarding women and children's work be observed.

If, instead of issuing mere recommendations which are worth little more than the paper on which they are printed, the Ordnance Department had placed a clause in each of its contracts making the observance of such standards a condition of payment, we would have little complaint as to its labor policy. If similar clauses were put in the contracts placed by all the various bureaus in Washington we could find little fault with its uniformity.

Up to the present time no such action has been taken and this fact, more than any one thing, has made possible the development of the several causes of unrest which we have noted. Instead of one general policy which would have automatically provided for these different standards, each different purchasing bureau has followed a policy, or no policy, of its own. In most cases, it waited until some outbreak was imminent or had already taken place before taking any action.

When we realize that there are at least five large bureaus in the War Department, Navy Department and Shipping Board with no co-ordination, at least in labor matters, between them, we see why conflicting policies have been inevitable. When we list the different Labor Boards and Adjustment Commissions, which have been created for one purpose or another, usually to patch up a situation which had already become dangerous, we see what has resulted. Since the war began there have been, entirely outside the work of the Department of Labor's Bureau of Mediation and Conciliation and the Newlands Commission for railroad disputes, the following commissions appointed for the general purpose stated:

A National Adjustment Commission: for the adjustment and control of wages, hours, and conditions of labor in loading and unloading vessels. The Shipping Board, the War Department, the International Longshoremen's Association, and the International Mercantile Marine are represented on the Commission. Local Committees have been appointed in the more important ports to consider questions of local origin.

The Cantonments Adjustment Commission: created to settle differences arising in cantonment construction, with a representative from the public, the American Federation of Labor and the War Department.

The Board of Control of Labor Standards, in Army Clothing Contracts: whose object is not primarily to adjust labor disputes, although it has authority to take part when necessary, but to superintend contracts for clothing and prevent the work from being done under sweated conditions.

The Shipbuilding Labor Adjustment Board: created to adjust questions of wages, hours, and conditions in shipbuilding plants. The chairman was appointed by the President of the United States; the labor member, by Mr. Gompers, and the third member, by the Emergency Fleet Corporation.

The Saddlery Adjustment Commission: to prevent interruption of work in harness factories handling war contracts, with a representative from the War Department, from the Quartermaster's Corps or the Ordnance Department depending on which is involved, from the International Leather Workers Union, and a large saddlery company.

The Arsenals and the Navy Yard Wage Commission: with a representative from the Navy Yard Department, from the War Department, and the Department of Labor, to pass on wage questions arising in arsenals and navy yards.

The President's Commission: appointed to investigate labor conditions in the mountain regions and on the Pacific Coast. The Secretary of Labor is the chairman and there are two representative employers and two representative labor men.

A Sub-Committee on Mediation and Arbitration of the Council of National Defense was appointed early in the year. Local Committees were to be appointed in the various important industrial districts. A chairman of the National Committee was nominated, but further appointments have never been made.

This method of meeting the difficulty cannot go on much longer. It does not meet the difficulty—it does not help us solve our local problems nor does it solve the problem of the National government. In fact, as far as we are concerned locally, it is worse than a definite policy of hands off—for in any particular situation, there is always a delaying query as to what Washington will do and a vain hope that some action will be taken. We know that a Longshoremen's Adjustment Board was appointed when they went on strike last summer—perhaps one of like character for some other industry will be—but when and by what agreement we never can tell.

What we need in New York is a definite understanding that contracts for a particular commodity require certain labor conditions,

such as the eight or ten-hour day, joint negotiation between employer and employee, union rate of wage, and the like. We need a committee or a board with definite authority from a central organization in Washington to supervise these contracts and to maintain a continuous inspection to see that such conditions are fulfilled, and with power to recommend the annullment of the contract if they are not. It matters not whether the board be a local one with delegated authority or whether it be appointed directly from Washington—what we do need is a uniform policy covering labor standards and union rights and laid down for all the different Federal departments contracting for supplies. Thus we need local machinery to carry it out.

APPENDIX A *

A Bill to promote the welfare of industries and wage earners of the United States, to extend the United States Employment Service in the Department of Labor, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That for the purpose of increasing the number and effectiveness of public employment agencies, and thereby more effectually providing for the national security and welfare by increasing industrial and agricultural production through more effective utilization of the available labor supply, the organization, powers, duties, and obligations herein set forth are created, conferred, and prescribed.

Sec. 2. That when used in this Act the term "public employment office" means any employment office which is conducted by a State or any political subdivision of a State and which charges no fees for its services.

Sec. 3. That there is hereby extended and established in the Department of Labor a United States Employment Service, in charge of a director, who shall be appointed by the President, by and with the advice and consent of the Senate, and shall receive a salary of $5,000 per annum. There shall also be in the service such assistants, experts, special agents, clerks, and other employees as may be necessary to carry out the purposes of this Act, and as may from time to time be authorized by appropriation or other law.

Sec. 4. That the director shall (a) have general charge of all employment activities of the Department of Labor; (b) subject to the approval of the Secretary of Labor, prescribe rules and regulations for the conduct of the service: *Provided,* That no wage earner shall be directed, without full notice, to any establishment wherein a strike is known to exist or to impend; (c) collect and furnish to wage earners and employers information in reference to employers seeking workers or workers seeking employment, and use any appropriate means for securing and distributing such information and for preventing misrepresentation and the dissemination of misleading statements by other agencies purporting to convey such information; (d) cooperate with all public employment offices in devising, installing, and from time to time amending and improving the best adapted, most efficient, and economical systems of records and methods of business for such offices, and in interchanging information with all such offices or other authorities and organizations having to do with similar work; (e) encourage State and municipal authorities in establishing and operating public employment offices approved by the service.

Sec. 5. That the director may subdivide the country into districts and zones and therein at convenient locations establish clearing houses for employment information to which public employment offices located within such districts shall make regular reports at such times and containing such em-

* This is the bill approved by this Committee and introduced in Congress December 7, 1917. It is known as the Robinson-Keating Bill—H. R. 7222 and S. 3078. Some additional changes are being made in Washington which are not yet in final form.

ployment information and relevant data as the director may designate. It shall be the function of such clearing houses to connect a public employment office unable to furnish workers to its registered employers with offices registering workers of the type desired, but unable to furnish them with opportunities for employment.

Sec. 6. That for the general purposes of this Act there is hereby appropriated out of any money in the Treasury not otherwise appropriated the sum of $750,000 for the fiscal year ending June thirtieth, nineteen hundred and eighteen.

Sec. 7. That for the purpose of aiding the States in establishing and maintaining public employment offices, there is hereby appropriated out of any money in the Treasury not otherwise appropriated, the following additional sums:

For the fiscal year ending June thirtieth, nineteen hundred and eighteen, $1,000,000, and for the fiscal year ending June thirtieth, nineteen hundred and nineteen, and annually thereafter, the sum of $2,000,000. The sums so appropriated in each fiscal year shall be allotted to the States in proportion to the sum which each State has expended or appropriated for the maintenance of public employment offices during its current fiscal year; but such allotment shall be made upon the condition that for every dollar allotted from the Federal fund the State receiving it shall expend during its succeeding fiscal year for the maintenance of public employment offices not less than $1, and upon the further condition that the public employment offices shall be operated in accordance with the provisions of this Act and of the rules and regulations prescribed from time to time. In computing the allotment of any State, sums expended for the support of public employment offices by municipalities, counties, or other political subdivisions of the State shall be included if such offices are under the supervision of and are cooperating with a State public employment bureau. Any money allotted to a State on the basis of sums expended by such subdivision shall be turned over by the State to such subdivisions in proportion to the sums which they have expended in the maintenance of public employment offices. The United States Employment Service shall annually ascertain whether the States are operating their public employment offices in accordance with the provisions of this Act and of the rules and regulations prescribed from time to time, and on or before the first day of January of each year shall certify to the Secretary of the Treasury the names of the States which have complied with the provisions of this Act and all rules and regulations thereunder and the amount which each such State is entitled to receive from the appropriation under this Act for the current fiscal year: *Provided*, That for the fiscal year ending June thirtieth, nineteen hundred and eighteen, the service shall, within sixty days after this Act takes effect, certify to the Secretary of the Treasury the names of the States entitled to an allotment under this Act and the amount thereof. Upon such certification the Secretary of the Treasury shall pay to the custodian of each State the money which it is entitled to receive, and the money so received by the custodian under the provisions of this Act shall be paid by him to the State public employment bureau entitled thereto.

Sec. 8. That in order to secure the benefit of the appropriation provided for in this Act, a State shall (1), through the legislative authority thereof, accept the provisions of this Act and designate three persons, at least one of whom shall be connected with the State public employment bureau, if any, to serve as a State board and to have all necessary power to cooperate as herein provided with the director in the administration of this Act; (2) appoint the State treasurer or other State officer as custodian to receive and disburse moneys paid to the State from the Treasury in pursuance of this Act; (3) empower the appropriate State authority to (a) organize a competent system of public employment offices, with administrative power to make and from time to time to amend necessary regulations for securing the efficient and economical operation of such offices within the State, in cooperation with the director; (b) to prepare and submit to the director for his approval and to put into operation, when approved, plans for organizing such offices, such plans to include provisions for operation of such offices by the State separately or jointly with municipalities or other political subdivisions, and for the selection of all officers and employees upon competency and merit and with tenure of office during good behavior and efficiency; and such offices shall be required to make such reports to the director at such times and stating such facts as he may require; *Provided*, That in any State the legislature of which does not meet in regular session in nineteen hundred and eighteen, if the governor of that State so far as he is authorized to do so, shall accept the provisions of this Act and designate or create a State board of not less than three members to act in cooperation with the United States Employment Service, the director shall recognize such local board for the purpose of this Act until the legislature of such State meets in due course and has been in session for sixty days. On or before the first day of September in every year the custodian of each State shall report in detail the annual expenditure of every public employment office cooperating with the service and receiving funds under the provisions of this Act, and the appropriate State authority hereinbefore mentioned shall report in full regarding the operations of such offices, giving such facts as may previously be required by the director, all such reports being for the period ending with the thirtieth day of June next preceding.

Sec. 9. That the duties required by law to be performed by the Division of Information of the Bureau of Immigration in the Department of Labor authorized by section forty of the Act of February twentieth, nineteen hundred and seven, entitled "An Act to regulate the immigration of aliens into the United States" and amendments thereto, and the officers, clerks, and other employees occupying statutory positions in the said Division of Information, and existing facilities, including employees, equipment in the office of the Secretary of Labor established by the Secretary under the appropriation item "Department of Labor, Distribution of Labor" contained in section one of the urgent deficiency appropriation Act of October sixth, nineteen hundred and seventeen, are hereby transferred to and combined with the United States Employment Service hereby created at such time and in such manner, arrangement, and organization as the Secretary of Labor may determine, and any unexpended and available balance of such appropriation is

hereby transferred to and made available for the service provided for in this Act. All appropriations or allotments of appropriation hereto or hereafter made for the Division of Information shall remain available for the said division until such time as it shall be transferred to and combined with the United States Employment Service as herein provided.

Sec. 10. That the Postmaster General is hereby authorized and directed to extend to the Secretary of Labor the use of the post offices and postal facilities, including postal employees wherever they can be used, and the Secretary of Labor is authorized to use the post office and postal facilities and such postal employees wherever practicable for carrying out the purposes of this Act.

Sec. 11. That this Act shall take effect immediately.

APPENDIX B

List of Offices Co-operating with the Clearing House During October and November, 1917.

Agricultural and Industrial Relief Society.
Agricultural Committee of the Mayor's Committee of Women.
American Parish Society.
American Red Cross (Home Service Department).
Art Alliance Society.
Association for Improving Condition of the Poor.
Associated Colored Employees of America, Inc.
Aub Therese Stenographers' School.
Bellevue Hospital (Social Service Department).
Bowling Green Association.
Brooklyn Bureau of Charities.
Bureau of Information.
Bush Terminal Employment Bureau.
Catholic Big Brothers.
Charity Organization Society.
Chelsea Neighborhood Association (Public Employment Bureau).
Children's Court.
Clara De Hirch Home.
Columbia House Settlement.
Columbia University (Committee on Women's War Work).
Columbia University Appointment Office.
Community Clearing House.
East Side House Settlement.
Educational Alliance.
Emanuel Sisterhood.
Employment Bureau of the College of the City of New York.
Federated Employment Bureau for Jewish Girls (Bronx).
Federated Employment Bureau for Jewish Girls.
Fellowship House.
Franklin Union (Printers).
Furniture Makers' Union.
Girls' Protective League.
Hebrew Technical School for Girls.
Hebrew Orphan Asylum.
Henry Street Settlement.
Henry Street Settlement (Harlem).
High School of Commerce.
Hudson Guild.
Hunter College.
Intercollegiate Bureau of Occupation.
Jefferson Clinic (Social Service Department).
Jewelry Workers' Union.
Jewish Big Sisters.
Jewish Community (Employment Bureau).
Jewish Sabbath Observers.
Joint Tuberculosis Committee.
Julia Richman High School.
Knights of Columbus Free Employment Bureau.
Knights of Columbus (Brooklyn)
Labor Temple (Free Employment Bureau).
Lake View Home.
League for Hard of Hearing.
Lincoln Hospital.
Manhattan Trade School.
Mayor's Advisory Committee.
Mayor's Committee (Hall of Records).
Metropolitan Hospital (Social Service Department).
National League on Urban Conditions Among Negroes.
National Liberty Bureau.
Neighborhood House (Seventy-ninth Street).
Parol Committee.
Prison Association.
Public Employment Bureau of the City of New York (Lafayette St.)

Public Employment Bureau of the City of New York (Greenpoint Br.)
Public Employment Bureau of the City of New York (Greenwich Br.)
Public Employment Bureau of the City of New York (Yorkville Br.)
Recreation Rooms and Settlement.
Remington Typewriter Company.
Richmond Hill House.
Salvation Army.
Seamen's Church Institute.
Society for the Welfare of Jewish Deaf.
State Public Employment Bureau (L. I. C. Branch).
State Public Employment Bureau (Jay Street).
State Public Employment Bureau (Manhattan).
State Public Employment Bureau (Williamsburg Branch).
Tarrytown Civic League.
Underwood Typewriter Company.
United Brotherhood of Carpenters (New York).
United Brotherhood of Carpenters (Newark).
United Employment Bureau.
United States Employment Office (Newark).
Vocational Committee of the 13th School District.
Washington Irving High School.
Working Women's Protective Union.
Young Men's Christian Association (Twenty-third Street).
Young Men's Christian Association (Eastern Branch).
Young Men's Christian Association (Third Street).
Young Women's Christian Association (Colored Branch).
Young Women's Christian Association (Central).
Young Women's Hebrew Association.

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